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ONE DOLLAR, ONE VOTE THE ROLE OF DEMOCRACY AND FREE MARKETS IN THE NATIONAL SECURITY STRATEGY

SHARON SQUASSONI/CLASS OF 1998
COURSE NUMBER 5601
SEMINAR A

FACULTY SEMINAR LEADER
COL JAMES REED

FACULTY ADVISOR
DR ALBERT PIERCE

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ONE DOLLAR, ONE VOTE THE ROLE OF DEMOCRACY AND FREE MARKETS IN THE NATIONAL SECURITY STRATEGY

Early in the Clinton administration, National Security Advisor Anthony Lake suggested that a strategy of enlargement of the "free community of market democracies" would replace the strategy of containment Although the Administration has retreated from democratic enlargement as the keystone of its national security strategy, the explicit linkage between democracy and free markets, and implicitly, to prosperity. is featured throughout the 1997 national security strategy [1] This linkage is both problematic in theory and in practice it assumes a positive relationship between a state's internal organization and capabilities and external behavior and a correlation between free markets and prosperity and between free markets and democratic institutions This linkage is further complicated in practice because we can measure how "free" a market system is and how prosperous it is, but democracy lends itself only to qualitative and subjective judgments [2] The underlying assumption that democracy and free markets lead to prosperity seems to obviate the need to choose between those goals In practice. and especially in the short run. these goals may compete with each other In policy planning. efforts to promote free market systems are likely to take precedence over those to promote democracy because a) the objectives are clearer, b) the development of democracy is a long-term project, c) natural constituents of free market economies are better organized. and d) the international system has strong mechanisms already in place to promote free market systems

If the promotion of democracy is indeed a core U S interest, the national security strategy should emphasize the contribution of democracy to free market systems, but level the playing field by refraining from case-by-case judgments [3] This would entail efforts to strengthen the long-term institutions upon which democracy rests – free media. the rule of law, an independent judiciary, and political pluralism, among other things

The 1997 National Security Strategy contains six policy priorities 1) an undivided, democratic and peaceful Europe, 2) a strong and stable Asia Pacific, 3) U S leadership, 4) open trade, 5) increased cooperation to combat global security threats, and 6) strengthening military and diplomatic tools Only in Europe is the promotion of democracy an explicit goal Even there, it is linked closely with the establishment of free market economies In the words of Strobe Talbott, Deputy Secretary of State, support for democracy is "not an absolute imperative that automatically takes precedence over competing goals, rather, it is a strong thread to be woven into the complex tapestry of American foreign policy "[4] Even so, President Clinton's policy is predicated on that assumption that "countries whose citizens choose their leaders are more likely to be reliable partners in trade and diplomacy, and less likely to threaten the peace [5] And yet, while democracy as a form of government has become increasingly popular (Talbott cites 30% of all countries in 1974 and 61% today), the number of conflicts across the globe has not fallen dramatically Nor is it clear that Japan's democratic form of government has made it a more pliable negotiating partner, at least in trade There are two fundamental issues here is there a correlation between the internal political and economic organization of a state and its external behavior and if so, can the United States influence that organization?[6]

Realists such as Richard Haas and Henry Kissinger have argued that the national security strategy ought to focus on the relations among states, not the internal workings of states For all the ideology of anti-communism accompanying containment, George Kennan's purest form of containment policy was not concerned with the threat of communism itself, but the geopolitical expansion of Soviet influence A further argument is that even if there were a correlation, the costs of attacking the problem at its root would be prohibitive Arguments on whether or not the United States can influence another state's internal organization hinge on assessments of the

effectiveness of the means – e g , should the United States simply be the "City on the Hill," might military force be effective in the short term (e g , Haiti) but less so in the long term? – and the ability and willingness of the state in question to adopt democratic and free market reforms Thomas Carothers suggests that states with good ties to the West and good economic growth are better recipients for democratic transplants but that the U S assumption that it can affect the growth of democracy significantly is flawed [7]

Carothers offers a possible answer to the underlying question of which comes first – a free market economy or democracy? There is an implicit assumption in the 1997 National Security Strategy that a free market economy is the environment in which democracy best takes hold Moreover, because we cannot promote democracy everywhere, just as we cannot keep the peace everywhere, our national security strategy relies on increasing prosperity to undergird lasting peace and democratic progress [8] In other words, we will create the environment in which democracy can flourish (and indeed, democracy requires capitalism) [9] There is a questionable faith, however, that democracy will follow free markets [10] Unfettered capitalism, however, may have the opposite effect, leading us in the direction of social unrest [11] In addition, free markets may create prosperity but have the unfortunate propensity to distribute wealth unevenly In theory, in a democratic state, people can use their vote to compensate for their unequal purchasing power, in practice, money buys votes In short, democracy needs capitalism, but capitalism does not need democracy

The development of democratic institutions – a free press, a popular vote, a competitive, multi-party political system, an independent judiciary system – has little to do with establishing a free market system It is only recently that the World Bank has added what might be considered political conditions to loans [12] Strobe Talbott suggests that a country attempting to make a

double transition to both a free market economy and a democratic political system faces significant hurdles, especially where the gap between the poor and wealthy widens and the birthrate outpaces economic growth Free and fair elections are a start, but only that Arthur Schlesinger goes further in his argument that technology and capitalism achieve their ends through creative destruction, which may be in this case, the destruction of the nation-state The unfettered market has the potential to undermine values, especially equity and stability [13] This argument rests on the notion that the market and democracy work towards different ends [14]

In practice, the linkage of free markets and democracy complicates the choice of priorities The choice of which goal precedes the other (democracy before market, market before democracy) cannot be made absolutely, it depends on the level of development of the state and/or region Such judgments are difficult to make On the theory that policy seeks its own level, market-oriented efforts are more likely to take precedence over democracy-oriented efforts, except where there is a clear and pressing abuse of political autonomy As Thomas Carothers points out, most cases of "democratic slippage" are less likely to offer sharp and visible signals, like a military coup in Haiti, than intermittent and possibly inconclusive signals [15] In ambiguous situations, the policy objective that is clearest, with greatest short-term impact, natural constituents, and ready-made international organizations is the easiest to implement There will be some instances where the policy objective in supporting democracy is clear – e g , preserving fairness in first (and sometimes second) elections and helping bring war criminals to court In the areas of humanitarian assistance and human rights, however, there is often ambiguity on the extent and nature of the problem, which is unparalleled in free market issues In cases where refugees are involved, U S intervention can often have a significant short-term impact, but many humanitarian assistance and human rights issues stem from structural problems

not easily remedied in the short term As for natural constituents, those standing to profit from free market economies are likely to be better organized, both in the United States and in the state in question, than those suffering under political disenfranchisement or human rights abuses And finally, the international community is presently better organized to promote free market economies (IMF, World Bank, trade organizations) than it is to promote democracy or human rights [16] Although the UN's call for international action to restore Bertrand Aristide to power in Haiti has been hailed as a landmark decision, future cases of democratic arrest may not be so clearly defined and therefore unable to garner consensus for action

If the United States is committed to promoting democracy abroad, the choice should not be either democracy or free market economies, but both To ensure that long-term democratic evolution is given equal footing with easily measurable market reforms, the United States should focus on efforts to strengthen the long-term institutions upon which democracy rests – free media, the rule of law, an independent judiciary, and development of multi-party politics, among other things On a case-by-case basis, the United States may choose to provide assistance unilaterally or in concert with other nations in the relevant region The 1997 national security strategy identifies a wide array of tools the United States is prepared to use, from visa restrictions and grants of asylum, military force (e g , Haiti) and economic sanctions, to summits and establishment of a Permanent Criminal Court Strengthening regional and international institutions may be effective in creating a pool of expertise upon which to draw It may be profitable, for example, to establish a global fund for democratic initiatives that would integrate the disparate ingredients of democratic development, from human rights and refugee issues to fostering political pluralism and legal institutions Although it may be easier to wrap democracy

Strategy notes U S support for those organizations as well as the creation of a Permanent Criminal Court, building on the International War Crimes Tribunals This paper does not address the role of non-governmental organizations such as Amnesty International and CARE, which Jessica Matthews (see endnote 13 above) notes have come to wield considerable influence